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| <b>CONTINUATION SHEET</b>   | <b>Reference No. of Document Being Continued</b><br><b>PIIN/SIIN</b> DAAE07-01-G-N001/0002 <b>MOD/AMD</b> 19 | <b>Page</b> 2 <b>of</b> 2 |
| <b>Name of Offeror or Contractor:</b> GENERAL DYNAMICS LAND SYSTEMS DIV |  |                           |

SECTION A - SUPPLEMENTAL INFORMATION

The purpose of this Supplemental Agreement, Modification 19 is as follows:

1. This Modification 19 is for the Conditional Acceptance of AIM PY4 Vehicles presented by General Dynamics Land Systems for Acceptance at the Lima Army Tank Plant during the month(s) of April 2003 through July 2003 due to Control Test Failure on Periscope(s) P/N 12357840 and P/N 12357841 as follows:

- a. The above AIM Vehicles are Conditionally Accepted by the Government under the following conditions:
- b. The Contractor will remove and replace all suspect periscopes from U.S. Army tanks with known conforming periscopes, independent of vehicle location (i.e. GD, Ft. Hood, etc.), in compliance with a recovery schedule acceptable to the Government and, at no expense to the Government. The Contractor shall be responsible for all labor, as well as all packing, packaging, shipment expenses, and Contractor travel expenses.
- c. An amount of \$3,944.00 will be withheld for each of the identified U.S. Army tanks with non-conforming periscopes (The withhold will be applied to every tank containing at least one non-conforming periscope, irrespective of the total number or mix of conforming/non-conforming periscopes on that individual tank) until the Contractor provides a letter to the Administrative Contracting Officer (ACO) identifying a tank or tanks corrected under the terms of this modification and certifying the contractor has corrected the periscope deficiency. At that time the ACO may release the withheld funds for corrected vehicles.
- d. An amount of \$588.80 per periscope, up to a possible total of \$2,944.00 per tank (five periscopes times \$588.80 per periscope) will be credited to the contract from each of the identified U.S. Army tanks containing Anniston Army Depot Reused/Refurbished Periscopes (cost is less contractor periscope P/N 12357841). This credit represents material cost saved by the Contractor by using the reused/refurbished periscopes. The Contractor agrees to credit the contract DGM/Anniston Manufacturing Support CLIN 0002 by the total number of ANAD Reused/Refurbished Periscopes times the periscope unit cost of \$588.80. The contractor further agrees to annotate on each tank DD250 the total number of ANAD Reused/Refurbished Periscopes contained in each tank. The DCMA Lima ACO office will keep track of all vehicles accepted via DD250 with Reused/Refurbished Periscopes. It is anticipated that all vehicles with Reused/Refurbished Periscopes will be presented by April 30, 2003, at which time a contract modification will be issued to credit the contract in total for all vehicles accepted under this Conditional Acceptance. All suspect periscopes will be removed and replaced by the contractor as identified in paragraph 1b. above.
- e. If there are no suspect periscopes in the tank, a withhold will NOT apply. The contractor must provide a certification letter signed by an agent of the company to the ACO certifying tank(s) identified as NOT having suspect periscopes. The certification letter shall be submitted on a monthly basis(due January 31, February 28, March 31, 2003 and April 30, 2003) for all vehicles submitted during that month. In the meantime, and in addition to the certification letter, the contractor must provide certification for those tank(s) identified as NOT having suspect periscopes by annotation on the DD250.
- f. The Contractor shall submit a corrective action plan to the PCO, copy furnished to the ACO and Abrams PMO Quality Division, NLT July 31, 2003 for review and acceptance by the PCO.
- g. The parties agree that when the contractor begins receiving periscopes from their supplier, the contractor will replace the periscopes currently located at the Lima Tank Plant first and then replace the periscopes in the field.

- 2. As a result of this Modification, the contract price is neither increased nor decreased.
- 3. Except as provided herein all other terms and conditions remain unchanged and in full effect.